

1521: Outline of Rules of Origin

The rules of origin are rules for determining the country of origin (i.e., “nationality”) of goods.

In order to apply various Customs and tariff policies, determination of the country of origin of a good is indispensable. The relevant policies include the preferential tariff treatment under Generalized System of Preference and Economic Partnership Agreements (EPAs), WTO tariff rates, or anti-dumping duties. Rules of origin are stipulated to determine the country of origin of goods for the implementation of the above mentioned policies and measures.

Rules of origin are categorized into preferential rules of origin and non-preferential rules of origin. Preferential rules of origin include the rules for the application of the preferential tariff rates under the Generalized System of Preferences (GSP) and the rules for the application of the preferential tariff rates under Economic Partnership Agreements (EPA). Non-preferential rules of origin are applied to determine the country of origin for the purposes other than granting of preferential tariff treatment (such as the application of WTO tariff rates, the application of anti-dumping duties, trade statistics, etc.).

In order to determine the origin of a good for above purposes, the good must satisfy the applicable rules of origin. For example, if production of the good is completed in a single country without using any imported materials, the good is considered as an originating good of that country. This is called wholly obtained or wholly produced goods. If more than two countries are involved in the production, the applicable rules to determine the country of origin are stipulated by GSP and each EPA, which is called substantial transformation (such as change in tariff classification, specific manufacturing or processing operations).

In making a claim for preferential tariff treatment under GSP scheme or each EPA, necessary procedure is required to be conducted at the time of import declaration to Customs, including the submission of a documentary evidence of origin. A documentary evidence of origin is either: a certificate of origin issued by the competent governmental authority; an origin certification document completed by the importer, exporter or producer; an origin declaration completed by the authorized exporter, etc. Please refer to the respective laws, regulations or texts of the agreement for documentary requirements under GSP scheme or each preferential arrangement (EPA).

Please refer to the following URL for details on rules of origin:
<http://www.customs.go.jp/roo/english/index.htm>